Smuggling of Containers from Kochi Port

3479. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether any instance of smuggling of containers from Kochi port in Kerala by defrauding Customs and Central Excise has been brought to the notice of Government;

(b) whether Government have conducted any inquiry into the matter and if so, the outcome of such inquiry thereof;

(c) whether Government suspect any rackets behind forgery and whether the defrauding affects the internal security of the country; and

(d) whether Government are considering that the existing system of clearance procedure requires modifications in view of the above incident and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) DRI Regional Unit, Cochin have recently detected a case where there three containers of imported goods have cleared without following the proper Customs procedure and without payment of appropriate duty. Evidence collected, so far, indicates that at least one document i.e. container cell certificate, covering the movement of the container from the Port area appears to have been tampered with. Investigations revealed that the containers taken out without payment of appropriate duties contained compact fluorescent lamps, dry cell batteries and floor tiles of Chinese origin, which are leviable to high rates of antidumping duties. The motive behind this *modusoperandi* appears to be evasion of duties and not to breach internal security. Two persons have been arrested in this case.

(d) Procedure in existence has been reviewed by Cochin Customs House to prevent malpractice like tampering and/or forgery of documents. The steps taken include physical escort of the containers and safeguards introduced into the Electronic Data Interchange (EDI) System to track the movement of containers.

Tax on Salt

3480. SHRI A VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that salt is still taxed by the Centre and State